UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

In re BROOKLYN EVENTS, LLC, d/b/a VERBOTEN, Debtor.	Chapter 7 Case No. 16-41371 (CEC)

STIPULATION AND ORDER GRANTING LIMITED RELIEF FROM THE AUTOMATIC STAY AS IT APPLIES TO EMMA NEALON

This *Stipulation and Order Granting Limited Relief From the Automatic Stay as it Applies to Emma Nealon* (the "**Stipulation**") is made by and between Alan Nisselson ("**Trustee**"), interim trustee for the chapter 7 estate (the "**Estate**") of Brooklyn Events, LLC d/b/a Verboten (the "**Debtor**"), and Emma Nealon ("**Nealon**" and, together with the Trustee, the "**Parties**"), acting by and through their undersigned counsel.

RECITALS

A. On March 31, 2016 (the "**Petition Date**"), the Debtor filed with this Court a voluntary petition for relief under chapter 11 of title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the "**Bankruptcy Code**").

B. On May 26, 2016, the United States Trustee (the "**UST**") moved to convert the Debtor's case from a case under chapter 11 of the Bankruptcy Code to a case under chapter 7. On September 9, 2016, the Court approved a stipulation between the Debtor, New York State and the UST, which provided, *inter alia*, that the Debtor's case would be converted to Chapter 7 on October 4, 2016 (the "**Conversion Date**"). (Doc. No. 91).

C. By notice dated October 5, 2016, the UST appointed the Trustee as interim trustee of the Debtor's Estate pursuant to Bankruptcy Code § 701(a). (Doc. No. 99).

D. After the Petition Date, on or about June 6, 2016, Nealon commenced an action in the Supreme Court of the State of New York, County of Kings, titled *Emma Nealon, Plaintiff, v. Brooklyn Events, LLC d/b/a Verboten, Defendant*, Index No. 154737/2016, asserting claims against the Debtor for alleged injuries sustained by Nealon on or about July 31, 2015 (the "**Action**").

E. On October 13, 2016, Nealon filed a motion seeking relief from the automatic stay imposed by Bankruptcy Code § 362(a) to permit the prosecution of the Action, including the enforcement of any judgment obtained, but only to the extent of the Debtor's existing insurance coverage insofar as such proceeds are not an asset of the Debtor's Estate or otherwise available to the creditor body. (Doc. No. 101).

F. The Trustee has no objection to the continuation of the Action on the terms and conditions set forth herein.

TERMS AND CONDITIONS

1. The above recitals are incorporated by this reference and made a part of this Stipulation.

2. This Stipulation shall not be effective until the Bankruptcy Court has entered an Order approving it.

3. The automatic stay is hereby modified to permit Nealon to continue the prosecution of the Action, including the enforcement of any judgment or settlement, but only to the extent of the limits of existing insurance coverage that may be applicable to the Action, provided, however, that any settlement of the Action, or judgment rendered in the Action, may not exceed the applicable limits for any such insurance coverage, and provided further that the Trustee shall have no obligation to take part in, spend time on or expend any assets of Debtor's

Estate in connection with any aspect of the Action including, without limitation, appearing as a witness in any conference, hearing or examination or responding to discovery requests.

4. Nealon hereby waives and releases any and all claims Nealon has or may have: (a) against the Debtor's Estate, whether filed or unfiled, and any right to file a proof of claim for any amount in excess of the insurance coverage or any amounts within any insurance deductibles or self-insured retentions; and (b) against the Trustee's and/or Debtor's insurance carrier(s) for any amount in excess of available insurance coverage or any amounts within any applicable insurance deductible or self-insured retention.

5. Nothing contained in this Stipulation is intended to be or should be construed as an admission of liability by the Trustee, the Debtor and/or any of their respective employees named or who may be named in the Action (the "**Covered Employees**") with respect to the allegations related to any of the claims asserted therein who may be entitled to coverage under any applicable insurance policies, and all the rights, claims and defenses of any Covered Employees with respect to the Action are hereby expressly reserved.

6. Nothing in this Stipulation is intended to, or does, modify or alter the contractual rights and obligations provided for under the terms and provisions of any relevant insurance policy(ies).

7. Neither this Stipulation nor any actions taken pursuant hereto shall constitute evidence admissible against the Parties in any action other than one to enforce the terms of this Stipulation.

8. This Stipulation shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors and assigns, executors, administrators and legal representatives.

9. This Stipulation may only be amended or otherwise modified by a signed writing

executed by the Parties or by further order of the Bankruptcy Court.

10. The Parties represent and warrant to each other that the signatories to this Stipulation are authorized to execute the Stipulation, that each has full power and authority to enter into this Stipulation and that this Stipulation is duly executed and delivered, and constitutes a valid, binding agreement in accordance with its terms, provided that, with respect to the Trustee, this Stipulation requires approval of the Bankruptcy Court.

11. This Stipulation constitutes the entire agreement and understanding between the Parties with respect to its subject matter and supersedes all previous or contemporaneous oral or written representations, understandings or agreements between the Parties with respect thereto.

12. This Stipulation may be executed in counterparts and each such counterpart together with the others shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies or facsimiles signed by the Party to be charged.

13. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation.

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14. This Stipulation shall be governed by the laws of the State of New York and to the extent applicable, the Bankruptcy Code without regard to the State of New York's rules governing the conflict of laws.

Dated: New York, New York
October 18, 2016

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Dated: New York, New York
October 18, 2016

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IT IS SO ORDERED

Dated: Brooklyn, New York
November 3, 2016

United States Bankruptcy Court
Eastern District of New York

Carla E. Craig

Carla E. Craig
United States Bankruptcy Judge